

District Court Funds of District No. 39, City of Roseville, Michigan

**Financial Report
with Supplemental Information
June 30, 2008**

District Court Funds of District No. 39

City of Roseville, Michigan

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Independent Auditor's Report

To Chief Judge Joseph Boedeker
District Court No. 39
City of Roseville, Michigan

We have audited the accompanying basic financial statement of the District Court Funds of District No. 39 (a component unit of the City of Roseville, Michigan) as of June 30, 2008. This financial statement is the responsibility of the District Court Funds of District No. 39, City of Roseville, Michigan's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of the District Court Funds of District No. 39, City of Roseville, Michigan as of June 30, 2008, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, as identified in the table of contents, is not a required part of the basic financial statement but is supplemental information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statement. The accompanying other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statement. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.

Plante & Moran, PLLC

December 11, 2008

District Court Funds of District No. 39

City of Roseville, Michigan

Management's Discussion and Analysis

Our discussion and analysis of District Court Funds of District No. 39, City of Roseville, Michigan's (the "District Court") financial performance provides an overview of the District Court's financial activities for the fiscal year ended June 30, 2008. Please read it in conjunction with the District Court's financial statement.

Using this Financial Report

This financial report represents the activities of the funds of the District Court during the year. The funds of the District Court are Agency Funds. Therefore, the activities are limited to collection of amounts that are subsequently returned or paid to third parties. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations. A detailed schedule of cash receipts and disbursements is shown in the supplemental information portion of the financial report.

The District Court as a Whole

The following table shows, in a condensed format, the assets and liabilities as of June 30, 2008 compared to the prior year:

	2008	2007
Assets - Cash and cash equivalents	<u>\$ 208,736</u>	<u>\$ 203,914</u>
Liabilities		
Returnable bonds	\$ 102,841	\$ 118,028
Due to General Fund	134	512
Escrow deposits	<u>105,761</u>	<u>85,374</u>
Total liabilities	<u>\$ 208,736</u>	<u>\$ 203,914</u>

The District Court's combined assets and liabilities increased 2 percent from a year ago, increasing from \$203,914 to \$208,736.

Contacting the District Court's Management

This financial report is intended to provide our citizens and customers with a general overview of the District Court's activities and to show the District Court's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the District Court directly at (586) 773-2010.

District Court Funds of District No. 39

City of Roseville, Michigan

Balance Sheet June 30, 2008

	District Control Unit Collections	Bond Account	Garnishment Account	Jury and Witness Fee Account
Assets - Cash and cash equivalents (Note 2)	\$ -	\$ 102,975	\$ 105,761	\$ -
Liabilities				
Returnable bonds	\$ -	\$ 102,841	\$ -	\$ -
Due to General Fund	-	134	-	-
Escrow deposits	-	-	105,761	-
Total liabilities	\$ -	\$ 102,975	\$ 105,761	\$ -

District Court Funds of District No. 39

City of Roseville, Michigan

Notes to Balance Sheet
June 30, 2008

Note 1 - Significant Accounting Policies

The accounting policies of the District Court Funds of District No. 39, City of Roseville, Michigan (the "District Court") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The District Court is governed by three elected judges. There are no component units.

The following is a summary of the significant accounting policies used by the District Court Funds of District No. 39:

The funds of the District Court are Agency Funds. The financial activities of the funds are limited to fine and fee collections that are transferred to the district control unit (the City of Roseville) when processed. The accumulation of those collections and the ultimate payment to the applicable agencies are the responsibility of the district control unit. The funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

The operations of the District Court are included as a separate activity in the General Fund of the City of Roseville.

The District Court is a component unit of the City of Roseville and is included in the basic financial statements of the City of Roseville at June 30, 2008.

Note 2 - Cash and Cash Equivalents

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. A local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications, which matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

District Court Funds of District No. 39

City of Roseville, Michigan

Notes to Balance Sheet
June 30, 2008

Note 2 - Cash and Cash Equivalents (Continued)

The District Court has designated one bank for the deposit of its funds. The investment policy adopted by the District Court in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority as listed above. The District Court's deposits and investment policies are in accordance with statutory authority.

The District Court's cash and investments are subject to custodial credit risk, which is examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District Court's deposits may not be returned to it. The District Court does not have a deposit policy for custodial credit risk. At year end, the District Court had deposits totaling \$208,736. The deposits were reflected in the accounts of the bank (without recognition of checks written but not yet cleared or of deposits in transit) totaling \$140,958, all of which was covered by federal depository insurance. The District Court evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Supplemental Information

District Court Funds of District No. 39

City of Roseville, Michigan

Schedule of Cash Receipts and Disbursements Year Ended June 30, 2008

	District Control Unit Collections	Bond Account	Garnishment Account	Jury and Witness Fee Account
Cash and Cash Equivalents -				
Beginning of year	\$ -	\$ 118,540	\$ 85,374	\$ -
Receipts				
Fines and fees	3,111,436	-	-	-
Bonds posted	-	870,126	-	-
Garnishments	-	-	27,720	-
Interest income	-	2,917	3,628	-
Total receipts	3,111,436	873,043	31,348	-
Disbursements				
Transfers to district control unit	1,980,599	-	-	-
Transfers to district control unit for payment to:				
State of Michigan	551,942	-	-	-
Macomb County	37,540	-	-	-
Attorney fees	220,916	-	-	-
Refunds and miscellaneous	320,439	-	-	-
Bond refunds, forfeitures, and transfers	-	888,608	-	-
Garnishments	-	-	10,961	-
Total disbursements	3,111,436	888,608	10,961	-
Cash and Cash Equivalents -				
End of year	<u>\$ -</u>	<u>\$ 102,975</u>	<u>\$ 105,761</u>	<u>\$ -</u>